

# **Headquarters Employee Plans Inventory Control System (HQEP) – Privacy Impact Assessment (PIA)**

**PIA Approval Date: February 27, 2009**

## **System Overview**

Headquarters Employee Plans Inventory Control System (HQEP) is used to maintain case inventory information for Managers, Tax Law Specialists (TLS), and User Fee Specialists within the Tax Exempt/Government Entities (TE/GE) business unit. The managers, TLSs, and User Fee Specialists are the users of the HQEP application. HQEP is not the definitive IRS enterprise repository for tax exempt information, but rather used for historical inventory control for the TE/GE business unit.

## **Systems of Records Notice (SORN):**

- Treasury/IRS 50.222 TE/GE Case Management Records
- Treasury/IRS 34.037 IRS Audit Trail and Security Records System

## **Data in the System**

**1. Describe the information (data elements and fields) available in the system in the following categories:**

- A. Taxpayer – Points of contact data, including: organization taxpayer name; plan sponsor; Employer Identification Number (EIN); organization phone number; organization address; Contact person's name (or power of attorney).
- B. Employee – Tax Law Specialist (TLS) name.
- C. Audit Trail Information – System Level – User Login/Logout time is recorded, including date, time, and associated User ID. Application Level – Identity of user who last modified case data or inventory information is recorded.
- D. Other – Lookup information, including: Project work codes, control number/case number, and user fee information (fee type, check amount, and bank name).

**2. Describe/identify which data elements are obtained from files, databases, individuals, or any other sources.**

- A. IRS – No data elements are obtained from other IRS databases. All data is coming directly from the taxpayers. While an interconnection exists to the RICS application, data is only passed to RICS and not obtained from RICS.
- B. Taxpayer – Data obtained from Plan Sponsors, plan administrators or individual taxpayer's correspondence or application includes: name, address, employee identification number, bank name, check number, and user fee amount.
- C. Employee – Data obtained from tax law specialists includes: Standard Employee Identification Number (SEID), login, password, name, employee number, and hours worked on cases.
- D. Other Federal Agencies – HQEP does not receive information from other federal agencies.

- E. State and Local Agencies – HQEP does not receive information from State and Local agencies.
- F. Other Third Party Sources – HQEP does not receive information from other Third Party Sources.

**3. Is each data item required for the business purpose of the system?**

Yes. All data items are used by management to support case inventory control, inventory monitoring (i.e., by group and specialist), and processing user fees, as well as reporting functions.

**4. How will each data item be verified for accuracy, timeliness, and completeness?**

- **Accuracy:** A manual check is made by a senior tax law specialist when cases are screened for assignment as to the accuracy of the data items by checking the taxpayer's paper submission.
- **Timeliness:** A manual check is made by a senior tax law specialist when cases are screened for assignment, as to the data items, by checking the paper submission and the date stamped on the submission by the user fee clerk.
- **Completeness:** Validity checks are in place on various fields to ensure that certain inputs are maintained (i.e., zip codes must be numeric, etc). Additional checks are in place to ensure that all sponsors are entered into a table before a case can be added.

**5. Is there another source for the data? Explain how that source is or is not used.**

No. All data is obtained from hardcopy correspondence received from the plan submitter (i.e., taxpayer).

**6. Generally, how will data be retrieved by the user?**

Data is access by HQEP users via hardcopy correspondence received from the plan submitter (i.e., taxpayer). The HQEP user then enters the appropriate information into HQEP application and associated database.

**7. Is the data retrievable by a personal identifier such as name, SSN, or other unique identifier?**

Yes. Data can be retrieved by any field within the database; specifically, EIN, plan name, and case number.

**Access to the Data**

**8. Who will have access to the data in the system (Users, Managers, System Administrators, Developers, Others)?**

User groups define the appropriate level of system access based on job duties. Groups are maintained for the following roles:

- **Analysts:** Analysts are granted different levels of access to the application and database based upon what functions they need in order to perform their job.
- **Tax Examiners:** Tax Examiners are granted different levels of access to the application and database based upon what functions they need in order to perform their job.
- **Database Administrators:** Database Administrators (DBA) are permitted to modify settings and database configurations within the Informix database.
- **System Administrators:** System Administrators (SA) have access to the application (no data) for system administrative purposes only

Contractors do not have access to the HQEP application or HQEP data.

**9. How is access to the data by a user determined and by whom?**

Data access is granted on a “need to know” basis. The Online 5081 (OL5081) is used to document access requests, modifications, and terminations for all types of users, including System Administrators. When a new user needs access to IRS systems or applications, the user’s manager or designated official, completes an OL5081 requesting access for the new user. OL5081 is an online form, which includes information, such as the name of the system or application, type of access, and the manager’s signature approving authorization of access. The completed OL5081 is submitted to the System Administrator, who assigns a user ID and an initial password.

Before access is granted, the user is required to digitally sign OL5081 acknowledging his/her security responsibilities when using the system. Users are prevented from exceeding their assigned access privileges. Before users can have access to HQEP they must also have their profile entered into the Control Table. This table determines which “menu” they are allowed access to. Menu system limits access to certain screens. Further Informix permissions must be set if they are allowed to add new records, update current ones or be able to delete any records. These permissions are set by creating GRANT scripts and are implemented by a Database Administrator.

**10. Do other IRS systems provide, receive, or share data in the system? If YES, list the system(s) and describe which data is shared.**

Yes. HQEP does share Voluntary Compliance and waiver data with Return Inventory Classification System (RICS) on a daily basis: RICS provides users access to return and filer information related to the filing and processing of Employee Plan (EP), Exempt Organization (EO), and Government Entity (GE) forms.

**11. Have the IRS systems described in Item 10 received an approved Security Certification and Privacy Impact Assessment?**

Yes.

**RICS**

- Certification and Accreditation/Authority to Operate received on May 15, 2006, expires on May 15, 2009. RICS is scheduled to be recertified on February 19, 2009
- Privacy Impact Assessment received on October 31, 2008, expires on October 31, 2011

**12. Will other agencies provide, receive, or share data in any form with this system?**

No. HQEP does not receive or send information to any systems outside of the IRS.

**Administrative Controls of Data**

**13. What are the procedures for eliminating the data at the end of the retention period?**

Currently, HQEP administrators adhere to the general Record Control Schedule listed in IRM 1.15.2 and maintain HQEP data for over twenty (20) years. Procedures for eliminating the data at the end of the retention period are being documented within IRM 1.15.24 and are currently in the review process. Once these procedures are finalized, HQEP administrators will follow these new procedures (i.e., shred, destroy, degauss) depending on the appropriate retention process.

**14. Will this system use technology in a new way?**

No. HQEP does not use technology in a new way.

**15. Will this system be used to identify or locate individuals or groups? If so, describe the business purpose for this capability.**

Yes. Individuals are identified through the power of attorney. This information is utilized for case inventory monitoring and occasionally for research purposes.

Organizations are identified by EIN. A user may also retrieve the organization name and organization address. This information is used to support case inventory control, inventory monitoring (i.e., by group and specialist), specialist time management, and processing user fees, as well as reporting functions.

Taxpayers do not have access to the HQEP application, and thus are not subject to monitoring.

**16. Will this system provide the capability to monitor individuals or groups? If yes, describe the business purpose for this capability and the controls established to prevent unauthorized monitoring.**

Yes. HQEP's monitoring functions extend to case inventory information only to determine what has been assigned to each individual and associated group. HQEP also provides the ability to monitor time management. Individual time data is tracked manually by each user and inputted to the database monthly. The database will automatically calculate the total number of hours for each user. Using audit logs, HQEP managers have the ability to monitor the activity of all HQEP users.

Taxpayers do not have access to the HQEP application, and thus are not subject to monitoring.

**17. Can use of the system allow IRS to treat taxpayers, employees, or others, differently?**

No. Taxpayers and employees/specialists are not treated differently by the use or reports generated from HQEP.

**18. Does the system ensure "due process" by allowing affected parties to respond to any negative determination, prior to final action?**

Yes. Taxpayers are provided the specialist's contact information to discuss negative determinations or to update incorrect case information.

**19. If the system is web-based, does it use persistent cookies or other tracking devices to identify web visitors?**

No. HQEP is not a web-based application.

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